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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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EXAMINER

KYLE, CHARLES R

ART UNIT

PAPER NUMBER

3624

DATE MAILED: 07/26/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/577,434

Applicant(s)

MAY ET AL.

Examiner

Charles R Kyle

Art Unit

3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 16 May 2002.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-25 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-25 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

**Priority under 35 U.S.C. §§ 119 and 120**

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

**Attachment(s)**

- 1) ☐ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 11, 13. 6) ☐ Other: \_\_\_\_\_

**DETAILED ACTION**

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-3, 8-10 and 12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Egendorf in view of Williams et al, both already of record.

Concerning Claim 1, Egendorf discloses the invention substantially as claimed, including:

a method for facilitating online payment transactions between participants in a network-based transaction facility (col. 1, line 55 to col. 4, line 22), the method comprising:

communicating information to a first participant via a communications network, the information identifying a plurality of payment instruments available for processing online payment transactions in the network-based transaction facility (col. 2, lines 9-37 and col. 6, line 60 to col. 7, line 4);

receiving payment option information from the first participant via the communications network, the payment option information indicating a willingness of the first participant to accept payments from a second participant via at least one of the plurality of payment instruments (col. 2, lines 28-37);

communicating the payment option information to the second participant (col. 3, line 18 to col. 4, line 27).

performing a risk analysis pertaining to an online payment transaction between the first participant and the second participant to determine whether the second participant is qualified to use a payment instrument selected by the second participant from the at least one payment instrument acceptable to the first participant (Col. 5, lines 31-42; Col. 5, line 66 to Col. 6, line 10); and

accepting personal billing information concerning the selected payment instrument if the second participant is qualified to use the selected payment instrument, (col. 4, line 66 to col. 5, line 10; Col. 6, lines 13-36), the personal billing information being accepted via the communications network to facilitate the online payment transaction between the first participant and the second participant (col. 6, lines 25-36).

Egendorf fails to disclose that the instrument selected by the second participant must be acceptable to the first participant. Williams et al disclose that the payment form selected by the second participant must be acceptable to the first participant at Col. 10, line 61 to Col. 11, line 8, Col. 14, lines 5-17 and Col. 17, lines 1-6. It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the invention of Egendorf by allowing the first participant to accept a payment form selected by the second participant as taught by Williams because this would have allowed the first participant to exercise greater control over the transaction. In this circumstance, the vendor (first participant) would have had approval control while the provider acted as a "transaction processor". Note that Egendorf provides for direct communication between customer (second participant) and vendor, with extraction of

transactional information by the provider from the direct communication. Complete transactional information to the vendor would include acceptable instrument information, while the transactional information to the provider would not have needed acceptable instrument information, the provider performing no instrument acceptance.

As to Claim 2, Egendorf discloses dynamically evaluating risk involved in the online payment transaction between the first participant and the second participant; and restricting the online payment transaction based on the evaluated risk (col. 5, lines 30-48 and col. 6, lines 10-13).

Regarding Claim 3, Egendorf discloses is evaluating the involved risk using various information concerning the first participant and the second participant, the various information including information stored by an online payment service (col. 5, line 66 to col. 6, line 13) and information obtained from any one of a plurality of third party risk analysis providers (col. 5, lines 35-39) via the communications network.

Concerning Claim 8, Egendorf disclose communicating the personal billing information of the second participant to a financial institution to process the online payment transaction (col. 6, lines 13-36), the personal billing information being communicated over the communications network (col. 5, lines 30-41); and notifying the first participant when the online payment transaction completes (col. 5, lines 18-29).

As to Claim 9, Egendorf does not specifically disclose the use of an invoice form interface to pass invoice information to a second participant. Williams et al teach enabling a first participant to provide invoice information in such a feature at Fig. 11, element 1110 and col. 31, lines 29-49. It would have been obvious to one of ordinary skill in the art at the time of the

invention to have included such a feature in a combination of Egendorf and Williams et al because the first participant would have been the party most familiar with and most needing to control the invoice information. Further, determination that the first participant was qualified to initiate an online payment transaction would have been obvious to ensure validity of invoices, just as payment approvals would have been necessary to ensure payment validity.

As to Claim 10, see the discussion of Claim 1 above. Egendorf does not specifically disclose the use of a billing information interface to pass billing information concerning one of a plurality of payment instruments to a second participant. Williams et al teach enabling a second participant to receive payment information in such a feature at Fig. 10, elements 1000, 1020, 1030, 1040 and col. 22, lines 13-54. It would have been obvious to one of ordinary skill in the art at the time of the invention to have included such a feature in a combination of Egendorf and Williams et al because this would have provided a user with a familiar and easily used format for receiving information related to payment instrument options and making payment using a suitable instrument. Further, determination that the second participant was qualified to use one of the payment instruments is disclosed by Egendorf at col. 5, line 66 to col. 6, line 13 and col. 5, lines 35-39.

Regarding Claim 12, Egendorf teaches non-disclosure of personal billing information at col. 5, lines 39-41.

Claim 4 is rejected under 35 U.S.C. 103(a) as being unpatentable over Egendorf in view of Williams et al and further in view of Gifford, already of record.

Concerning Claim 4, Egendorf and Williams et al disclose the invention substantially as claimed. See the discussion of Claim 2 above. They do not specifically disclose evaluation of involved risk at various stages of an online payment transaction between first and second participants. Gifford discloses this feature at col. 8, line 24 to col. 10, line 22 and Figure 14. It would have been obvious to one of ordinary skill in the art at the time of the invention to have provided such multi-stage risk evaluation in the combination of Egendorf and Williams et al because this would have provided more comprehensive assurance that the transaction was likely to be carried forward to successful completion. Further, it would have been obvious to have provided such a multi-stage risk evaluation, because this would have helped assure that all parties to the transaction were reliable and likely to successfully completes a transaction.

Claims 5-6 and 11 are rejected under 35 U.S.C. 103(a) as being unpatentable over Egendorf in view of Williams et al and further in view of Watson, already of record.

Concerning Claim 5, Egendorf and Williams et al disclose the invention substantially as claimed. See the discussion of Claim 1 above. They do not specifically disclose accepting and accumulating multiple payments to a first participant and disbursing to the first participant a single accumulated payment. Watson discloses this method (col. 2, lines 33-47). It would have been obvious to one of ordinary skill in the art at the time of the invention to have combined multiple accepted payments into a single accumulated disbursement because this would have reduced the number of transactions necessary to complete multiple transactions, which Watson specifically describes at col. 2, lines 43-47. The Examiner further notes that this method is

Art Unit: 3624

analogous to the accumulation of multiple payments over a period of time in, for example, a gasoline company consumer credit account, and the disbursement to the company of a single payment by the account holder at the end of a particular billing period, a process which was well known and to credit card holders.

As to Claim 6, Egendorf discloses accepting multiple payments over a communication network using plural payment instruments at col. 6, lines 13-36.

Regarding Claim 11, Watson discloses the encryption of personal billing information at col. 15, lines 57-60. It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the combination of Egendorf and Williams et al with the encryption disclosed by Watson because this would have provided security for transaction information communicated across the communications network by preventing dishonest third parties from intercepting and misusing the transaction information.

Claims 7 is rejected under 35 U.S.C. 103(a) as being unpatentable over Egendorf in view of Williams et al and further in view of Tessler, already of record.

Concerning Claim 7, Egendorf and Williams et al disclose the invention substantially as claimed. See the discussion of Claim 1 above. They do not specifically disclose the network-based transaction facility as a network-based auction facility. Tessler discloses network based auction facilities which facilitate online payment transactions. See first page, bracketed area. It would have been obvious to one of ordinary skill in the art at the time of the invention to have used the payment method disclosed by Egendorf and Williams et al in an auction facility because auctions may require payments widely varying in size requiring different payment instruments



Art Unit: 3624

and their method would have been amenable to this form of operation. This point is specifically set out by Egendorf at col. 6, lines 13-24.

Concerning Claims 13-24, they are the system form of Claims 1-12 respectively and are rejected in a like manner. Note that Egendorf discloses a system for the accomplishment of the method steps in Fig. 1 and col. 4, lines 40-56.

Additionally, in the treatment of amended Claims 14 +, the phrase user is seen as equivalent to user and second participant is seen equivalent to further user.

As to Claim 25, it recites a machine readable medium comprising instructions, which when executed on a machine, cause the machine to perform a method for facilitating online payment transactions between participants in a network-based transaction facility, the method comprising the steps recited in Claim 1 and Williams et al further teach such a machine readable medium at col. 4, lines 42-67. It would have been obvious to one of ordinary skill in the art at the time of the invention to have utilized the computer readable medium disclosed by Williams et al to execute the method disclosed by Egendorf because such a medium was a well known, inexpensive and reliable means for storing instructions for execution by processors. In this instance, the examiner relies on a common understanding of computer processors as machines, (i. e. a processor as simple as a Turing machine).

### ***Response to Arguments***

Applicant's arguments with respect to the claims have been considered but are moot in view of the new ground(s) of rejection.

See the rejections set forth above for references to Egendorf which address newly claimed elements.

The substance of Applicants' arguments at pages 12-15 of the response is that the prior art of record fails to teach the element added by the amended claim language, risk analysis and qualification of a second participant to use a selected payment instrument. As noted in the rejection of the amended claims above, Egendorf does indeed teach these features. Applicants' specification, at page 21, lines 14-16, recites that "... the involved risks are evaluated at various stages of the transaction. The involved risks may concern, for example, a buyer's ability to pay...". This ability to pay is exactly the risk assessed by Egendorf in his teaching regarding approval of a credit transaction. If the risk of a buyer not paying is low, the charge will be approved; if the risk is high, it will be disapproved. Therefore, the amended claims contain no elements which distinguish over the prior art of record. The rejections are maintained.

Additionally, the Examiner suggests review of the Barrameda et al reference, already of record, for further teachings of risk analysis in credit approval processes. See, for example, Fig. 2 of Barrameda.

### ***Conclusion***

**THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period

Art Unit: 3624

will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Charles Kyle whose telephone number is (703) 305-4458. The examiner can normally be reached on Monday - Friday, 8:30 - 5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703) 308-1065. The fax phone numbers for the organization where this application or proceeding is assigned are (703) 308-9051 for regular communications and (703) 308-9051 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

crk

crk

July 18, 2002

  
**VINCENT MILLIN**  
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